

13 July 1982

NSPG re Central America  
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The political situation has moved somewhat in our direction in the key countries of Central America--El Salvador, Nicaragua, Honduras, Costa Rica, and Guatemala. At the same time, pressure from Cuba and Nicaragua, their support for insurgents, and basic economic difficulties continue to seriously threaten the stability of our friends there. In El Salvador, after the insurgency was overwhelmingly rejected in the 28 March election, the insurgents have managed to rearm, regroup and show their strength by inflicting heavy casualties on government forces and holding a key town for almost three weeks in intense fighting in the portion of the country nearest to Nicaragua. Still, the government military capabilities seem to be improving faster than the insurgents'. The guerrillas will be confined to a war of attrition by targeting the economic infrastructure and small military outposts.

On the political front, the reform effort appears to be progressing. Thanks largely to arm-twisting by the military, the land reform has been advancing, even to the satisfaction of the Washington Post as pronounced in today's editorial. The government is arresting and charging civilian and military persons engaged in violence and human rights abuse. [REDACTED]

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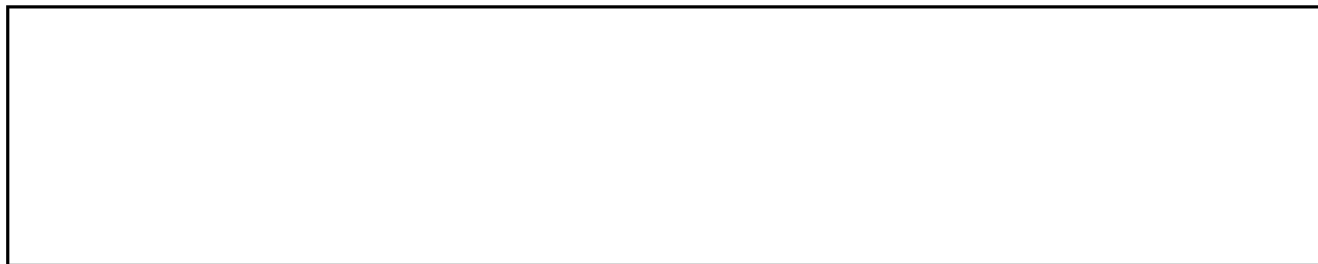
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[REDACTED] Honduras has sent troops into El Salvador to help block the guerrilla offensive. It also continues its efforts to interdict supplies sent from Nicaragua.

Nicaragua has extended its state of emergency and martial law to continue restriction and harassment of opposition forces, jailing opposition leaders and preventing them from traveling abroad. The Cuban presence has increased by another 2000, from about 6000 to about 8000. Last month Raul Castro, commander of the Cuban armed forces, visited Nicaragua allegedly to inspect flood and road repair units in the eastern part of Nicaragua.

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 Nicaragua has doubled to 12,000 the troops in the Honduran border area to counter raids by anti-Sandinista guerrillas.

All this has led to and has resulted from increased dissident activity both within and outside Nicaragua. There have been sporadic incidents of popular anti-Sandinista expression, including a strike by market vendors and a large demonstration protesting human rights abuses. Anti-Sandinistas have been inflicting an increasing number of casualties along the northern frontier. Eden Pastora represents a potentially dangerous rallying point for anti-Sandinista forces. Small garrisons of Sandinista troops and former Sandinista leaders in both the public and private sectors have left Nicaragua and joined him.

Pastore had successful meetings with Socialist International leaders in Portugal, Spain, Italy and Germany, has some degree of support committed to him by Venezuela and Panama. On the other hand, indications are that President-elect de la Madrid will continue Mexican support to Nicaragua. The

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[REDACTED] The French are reported ready to make a fairly large loan and to release the delayed helicopters to Nicaragua reportedly as an expression of Mitterrand's dissatisfaction with US pipeline sanctions. The net is that the Sandinista leadership is being challenged but is continuing its military buildup, its repression and its support for subversion against the other governments in Central America.

Right now, Honduras is in the eye of the hurricane. After 18 years of military-dominated governments, that country has an elected government to which the military is subordinated and a free and open society. At the same time, it has a deteriorating economy and is threatened by both internal subversion and external aggression from Cuba and Nicaragua. The Honduran government believes that Cuba and Nicaragua cannot afford to have Honduras successful as a democratic government in Central America. They also believe that their ability to resist Cuban and Nicaraguan pressures and maintain a foreign policy in support of US interests in Central America depends on perceived and actual support they receive from the US.

Honduras sees itself threatened by Nicaragua as that country creates a military regime far in excess of its military requirements. It is also threatened by a concerted effort on the part of Cuba, Nicaragua and insurgents in El Salvador to establish the basis for revolutionary violence to ultimately overthrow the elected government of Honduras. President Suazo and Commander-in-Chief Alvarez see this as part of a plan to establish Cuban-Sandinista-type governments throughout Central America and they believe that the main thrust

of this drive is being shifted from El Salvador to Honduras. The Cubans are seeking to unite the several leftist factions in Honduras as had been done previously in Nicaragua, El Salvador and Guatemala as a basis for generating a broad insurgency. This has been followed by a series of bombings, assassinations, and a recent hijacking. On July 4th, the electric power substations in Tegucigalpa were bombed leaving the capitol blacked out for days.

There is an increasingly strident propaganda campaign against the use of the Honduran military as a US surrogate. [REDACTED]

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[REDACTED] All this has not intimidated the Honduran government from making clear its willingness to take action against threats from Nicaragua and invasion of its sovereignty by Salvadoran insurgents.

Still, the Hondurans are nervous and uncertain. They believe that Nicaragua represents an immediate threat to them. [REDACTED]

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The public opposition to Pastore has shaken the Sandinista government and led to increasing efforts to intimidate both Honduras and Costa Rica from harboring and assisting anti-Sandinista forces. Costa Rica did ask Pastore to leave because they felt he was indiscreet in publicly welcoming a Sandinista garrison which deserted and crossed the border to join him. We understand that President Monge has agreed to permit Pastore's forces to remain in Costa Rica as long as their activities there are only political in nature.

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